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THE *Livestock* SITUATION

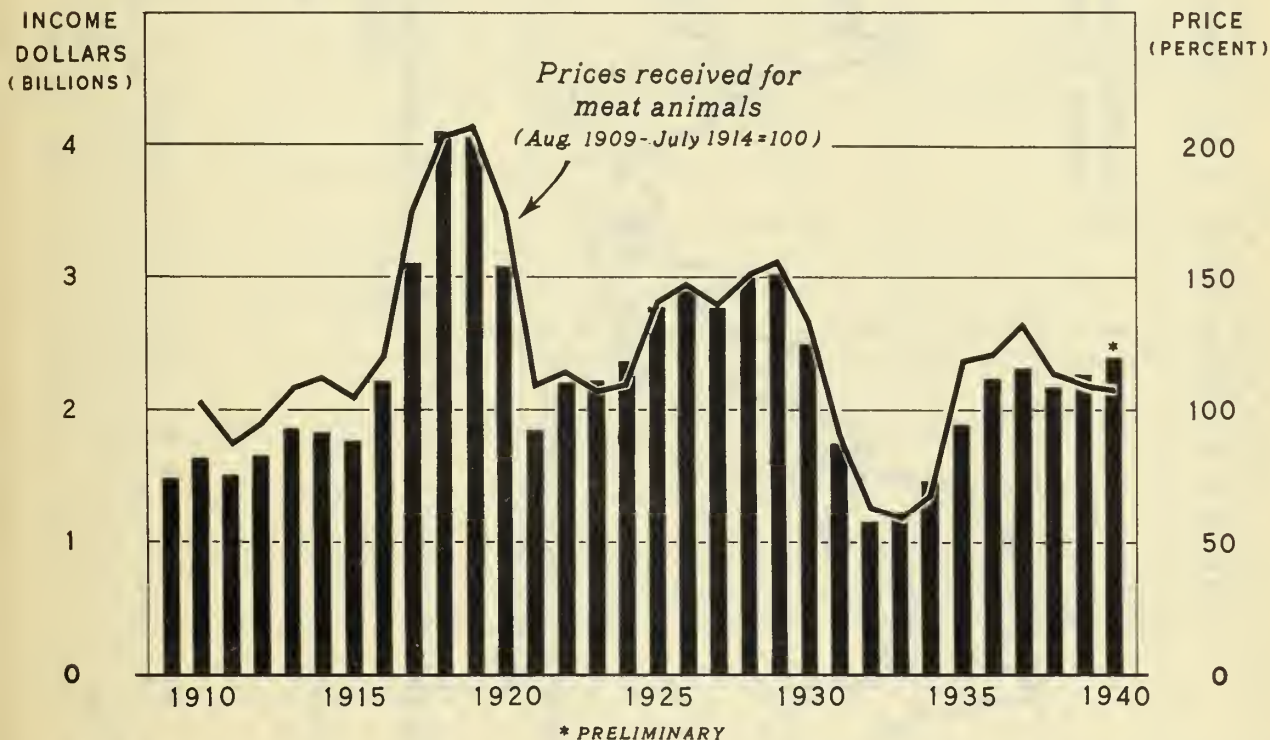
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-23



MAY 1941

MEAT ANIMALS: CASH FARM INCOME AND INDEX NUMBERS OF PRICES RECEIVED BY PRODUCERS, UNITED STATES, 1909-40



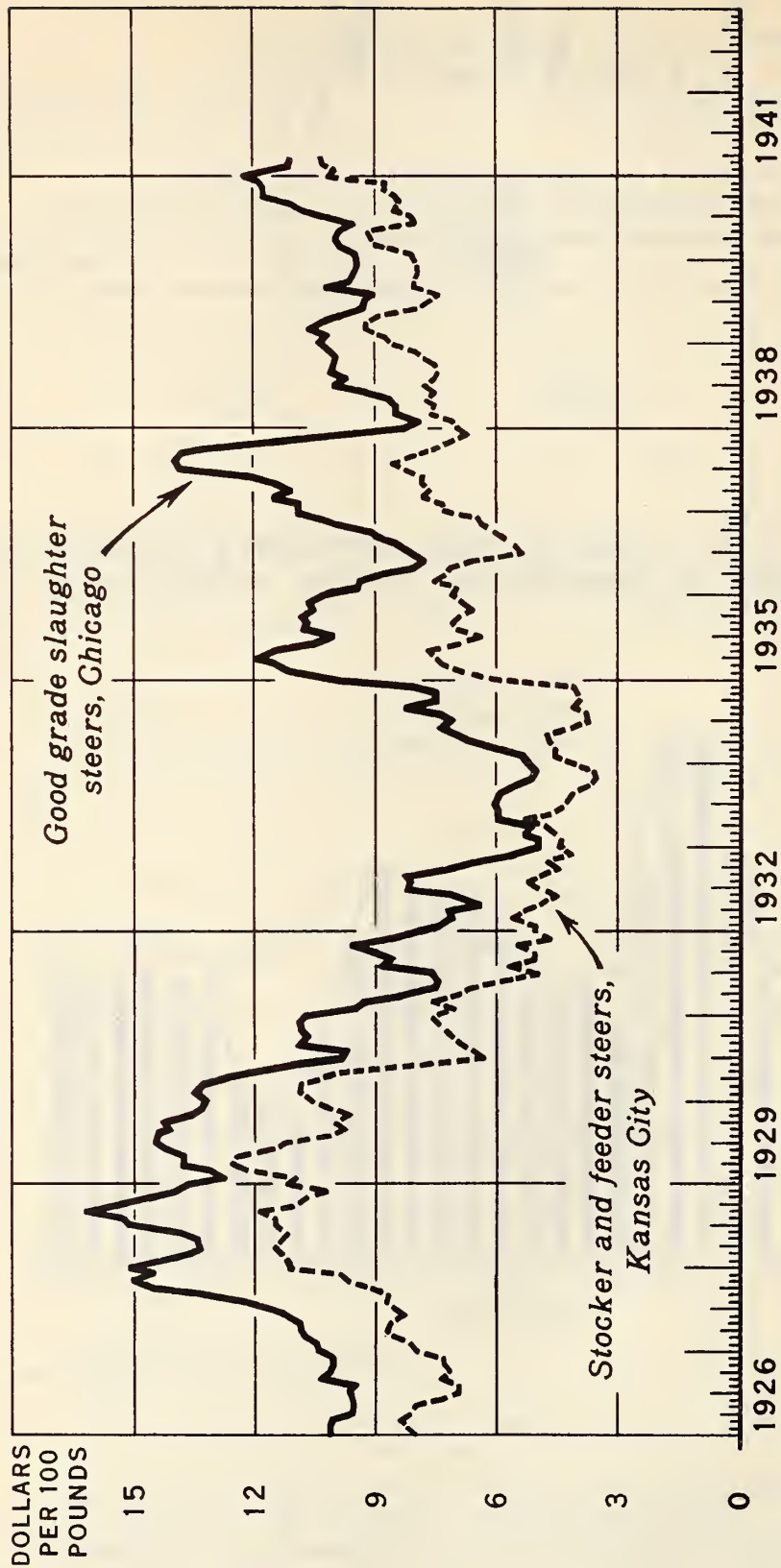
U. S. DEPARTMENT OF AGRICULTURE

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BUREAU OF AGRICULTURAL ECONOMICS

CASH FARM INCOME FROM MEAT ANIMALS INCREASED FROM 2,271 MILLION DOLLARS IN 1939 TO 2,390 MILLION DOLLARS IN 1940. MOST OF THE 5 PERCENT INCREASE OVER 1939 WAS IN INCOME FROM CATTLE AND CALVES. CASH FARM INCOME FROM HOGS INCREASED ONLY A LITTLE FROM 1939 TO 1940. HOG MARKETINGS IN 1940 WERE MATERIALLY LARGER THAN IN 1939, BUT HOG PRICES WERE CONSIDERABLY LOWER.

PRICES OF STOCKER AND FEEDER STEERS, AND OF SLAUGHTER STEERS, 1926-41



U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 1.- PRICES OF FEEDER CATTLE WEAKENED A LITTLE IN LATE APRIL AND EARLY MAY, BUT THEY HAVE FOLLOWED A SHARP UPWARD TREND SINCE LAST SUMMER. PRICES OF THE UPPER GRADES OF SLAUGHTER CATTLE HAVE DECLINED DURING THE PAST FEW MONTHS, AND THE SPREAD BETWEEN PRICES OF FAT CATTLE AND FEEDER CATTLE HAS NARROWED SEASONALLY. IN EARLY MAY THE SPREAD WAS SOMEWHAT NARROWER THAN USUAL FOR THIS TIME OF THE YEAR.

THE LIVESTOCK SITUATION

Summary

The market movement of pigs from the 1940 fall crop is now under way, but hog supplies may not increase much in the next month or so. In the late summer the seasonal decrease in hog marketings is expected to be fairly large. The 1940 fall pig crop was 13 percent smaller than that of a year earlier, and if the number of sows bred for farrow this fall is increased materially, as now seems likely, marketings of packing sows will be substantially smaller this summer than last. Present indications point to a reduction of about 10 to 12 percent in the total number of hogs marketed during the remainder of the 1940-41 marketing year (May-September) from the corresponding months of 1939-40.

Total slaughter supplies of cattle and calves in 1941 are expected to be around 5 percent larger than in 1940. Much of the increase over a year earlier will be in grain-fed cattle, although marketings of cows and heifers for slaughter also may be somewhat larger than in 1940. The number of cattle on feed in the Corn Belt on April 1 was 16 percent larger than a year earlier. Marketings of grain-fed cattle ordinarily increase from early spring to late summer, but most of the increase in supplies of grain-fed cattle this year over last is expected in the late summer and early fall.

Weather and feed conditions continued favorable for the early lamb crop during April, and the season to date has been one of the best ever experienced by early lamb producers. However, there has been considerable wet weather and early green feed has been lacking in quality. This has delayed marketings of early lambs from California and Arizona and of grass-fat yearlings from Texas, but apparently it has not interfered with the growth

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of early lambs. Present prospects point to a heavy market movement of lambs and yearlings from these States and other early lambing regions during the next 2 months.

Hog prices weakened a little following the sharp advance in early April, but they strengthened again in late April and early May. Purchases of pork and lard by the Department of Agriculture since early April (through May 16) of about 206 million pounds - 120 million pounds of pork and 86 million pounds of lard - appear to have been an important factor supporting hog prices above the level which prevailed in March. Hog prices frequently decline from March through May.

Prices of the upper grades of slaughter cattle declined fairly sharply during late April and early May, continuing the downward trend that has prevailed since mid-January. Prices of the lower grades have held about steady in the past 4 months, however, and the price spread between grades is now only a little wider than it was a year earlier. Prices of feeder cattle are now high relative to prices of fat cattle.

Prices of both old and new crop lambs have averaged around 50 cents higher than a year earlier in recent weeks. The spread between market prices of shorn and woolled lambs has been wider this spring than last, reflecting the higher level of wool prices than a year earlier.

Hog marketings decreased a little in April, but marketings of cattle and sheep and lambs were moderately larger than a month earlier and marketings of calves were up sharply from March. Inspected slaughter of all species of livestock was larger in April than in the corresponding month of 1940. In the first 4 months of 1941 inspected slaughter of cattle, calves, and sheep and lambs was somewhat larger than a year earlier, but slaughter of hogs was 7 percent smaller.

-- May 19, 1941

REVIEW OF RECENT DEVELOPMENTS

HOGS

Hog prices weakened moderately
in late April and early May

Hog prices weakened a little following the sharp advance in early April. They strengthened again in early May, however, and by mid-May had risen above the peak reached on April 7. The average price of all hogs at Chicago for the week ended May 10 was \$8.60, the same as a month earlier, but about \$1.00 above the March average and nearly \$3.00 above the corresponding week of 1940. On May 15 and 16 the top price for hogs at Chicago was \$9.20. Market supplies of hogs have been relatively large in the past few weeks, and the Government program for the purchase of hog products appears to be an important factor supporting prices.

The rise in hog prices since March has been more pronounced for heavy hogs than for light hogs, reflecting Government purchases of the heavier cuts of pork in order to stimulate the feeding of hogs to heavier weights. In early May prices of 270-300 pound butcher hogs at Chicago were about \$1.00 higher than in March, whereas 180-200 pound hogs were only 75 cents higher.

Recently prices of hogs at Western Corn Belt markets have been high relative to Chicago prices, reflecting a strong demand for shipper hogs for Pacific Coast markets. In early May prices of medium weight butcher hogs at Sioux City were only a little lower than at Chicago. A year ago, when prices were substantially lower than they are now, the spread was around 50 cents.

The hog-corn price ratio improved materially in early April along with the sharp rise in hog prices, but it has declined slightly in the past 3 or 4 weeks, chiefly as a result of some further advance in corn prices. The ratio of the average price of hogs and of No. 3 Yellow corn at Chicago for the week ended May 10 was 12.1. This compares with 12.5 for the second week in April and the long-time average of 11.6.

Inspected hog slaughter larger in
April than a year earlier

Hog marketings continued relatively large during April, and slaughter was larger than a year earlier for the first time since December. The number of hogs slaughtered under Federal inspection during the month totaled 3,807,000 head, about 2 percent less than a month earlier but 5 percent more than in April 1940. Inspected hog slaughter in the first 4 months of 1941 totaled nearly 16 million head, 7 percent less than in the corresponding period of 1940. The average weight of hogs purchased at 7 important markets in early May was 246 pounds, compared with 244 pounds a year earlier.

Exports of lard increased in March

Exports of lard increased sharply in March. Shipments abroad for the month totaled 24.3 million pounds, compared with 14.8 million pounds

in February and 20.7 million pounds in March last year. Exports to Cuba, Mexico, and several other Latin American countries accounted for about half of the March shipments, but most of the increase over February was in exports to Japan. Lard exports to Japan in March totaled 10.1 million pounds, compared with 4.3 million pounds in February, 1.6 million pounds in January, and none a year earlier. The March increase in lard exports to Japan apparently reflects an effort to make shipments before the requirement for export licenses for fats and oils became effective on April 15.

Shipments of pork to foreign countries in March totaled only 2.4 million pounds, about the same amount as in January and February but only half as much as was exported in March last year. As has been the case in other recent months, most of the exports were to Central and South American countries.

Imports of hogs and pork products from
Canada increased in recent weeks

There is normally some movement of hogs and pork products between Canada and the United States, the extent and direction of the movement depending largely upon the relative level of prices in the two countries. Prices of hogs and pork have advanced sharply in the United States in recent months, and since about the first of the year they have been high in comparison with Canadian prices. This has resulted in exports of considerable pork (mostly fresh and frozen) and of some hogs from Canada to the United States. About a year ago the price situation was reversed and shipments of pork from this country to Canada were quite large.

In the first 3 months of 1941 imports of pork from Canada totaled a little over 4 million pounds compared with about 500,000 pounds a year earlier. And from January 1 through May 8 shipments of live hogs from Canada to the United States totaled 12,000 head, compared with less than 1,600 head in the corresponding period of 1940. Most of this movement of live hogs has been from British Columbia to Pacific Coast markets and has occurred within the past few weeks in response to the strong demand for live hogs that has developed in that region.

Although exports of Canadian hogs and hog products to the United States have increased sharply over a year earlier, the quantities involved are not large relative to production and consumption of hog products in this country. For the 4 months January-April the total dressed weight of hogs slaughtered under Federal inspection in the United States amounted to close to 3 billion pounds, whereas imports of pork and live hogs from Canada on a dressed-weight basis during this period probably amounted to less than one-half of 1 percent of this amount.

Hog production in Canada has increased sharply since 1938 in response to favorable feeding costs and the demand for large quantities of hog products for shipment to Great Britain. Under the terms of the Anglo-Canadian bacon agreement concluded last fall, the quantities of hog products to be exported to Great Britain during the period November 1, 1940-October 30, 1941 is expected to about equal the amount that will be produced above domestic requirements in this period. Hog production in Canada this year may not be

greatly different from that of 1940. (For further discussion of the hog situation in Canada see page 7, February 1941 and page 7, December 1940 issues of The Livestock Situation).

Storage stocks of pork and lard increased
moderately during April

Storage holdings of both pork and lard increased a little during April. The net in-storage movement for each amounted to about 10 million pounds. Total pork stocks on May 1 amounted to approximately 796 million pounds, 184 million pounds more than a year earlier and 235 million pounds more than the 1935-39 average. Storage holdings of lard on May 1 of 320 million pounds were only 54 million pounds larger than a year earlier, but they were nearly 2-1/2 times larger than the 1935-39 average for that date. They were largest for any month on record. The storage demand for pork and lard has been strong this season because of the prospective reduction in hog supplies next fall and winter under those of a year earlier.

Storage holdings of pork and lard on the first of the month, average
1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat 1940- 41
	Average			Average			
	1934-35	1939-40	1940-41	1934-35	1939-40	1940-41	
	to			to			
	1938-39			1938-39			41
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Oct.	344.6	300.2	329.2	87.6	78.8	235.7	1/
Nov.	323.7	272.7	303.7	69.6	68.7	223.2	1/
Dec.	378.9	332.3	408.9	71.8	89.0	232.5	5.1
Jan.	502.0	469.5	656.2	95.6	162.1	287.0	7.1
Feb.	584.6	588.6	739.9	120.5	202.2	299.6	7.2
Mar.	603.7	650.7	791.9	126.7	256.6	317.4	9.2
Apr.	580.1	652.7	785.4	129.9	268.8	310.4	8.3
May	561.3	612.0	2/795.7	129.1	266.1	2/320.2	2/6.5
June	515.7	592.6		129.4	283.9		
July	474.7	598.5		130.2	306.8		
Aug.	422.6	548.7		121.2	303.2		
Sept.	361.9	417.6		101.8	272.3		

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.

Purchases of pork and lard by United States
Department of Agriculture

Purchases of pork and lard by the Department of Agriculture since early April (April 3-May 16) have totaled 206 million pounds, as shown in the accompanying table. An additional 37.5 million pounds of lard was purchased in March, prior to the announcement that the Department of Agriculture would support hog prices by purchases of pork and lard in the open market.

Purchases of pork and lard by the United States Department of Agriculture
April 3-May 16, 1941

Date of purchase	Pork			Lard	Total pork and lard
	Cured and frozen	Canned	Total		
	Pounds	Pounds	Pounds	Pounds	Pounds
April 3	6,045,500		6,045,500	9,540,000	15,585,500
April 22	25,413,000	15,005,884	40,418,884	21,718,400	62,137,284
May 6	26,845,000	14,534,796	41,379,796	24,625,055	66,004,851
May 9	11,595,000	7,287,500	18,882,500	10,428,000	29,310,500
May 16	7,905,000	5,852,668	13,757,668	19,478,576	33,236,244
Total	77,803,500	42,680,848	120,484,348	85,790,031	206,274,379

CATTLE

Prices of the upper grades of slaughter steers
continued downward trend in early May

Prices of the upper grades of slaughter cattle declined fairly sharply during late April and early May, continuing the downward trend that has prevailed since mid-January. The decline since mid-January also has been more pronounced for heavy than for light weight steers of comparable grades. Prices of the lower grades have held about steady during the past 4 months, however, and the price spread between grades is now only a little wider than it was a year earlier. Marketings of cows and heifers and other lower grades of slaughter cattle ordinarily are small during the spring and early summer when pasture and range feeds become available. This is reflected in a narrowing of the spread between prices of the upper and lower grades of slaughter cattle during the spring.

The general level of cattle prices has continued higher than a year earlier, despite recent declines for the upper grades. In early May the average price of all grades of beef steers at Chicago was about \$10.25, compared with \$9.80 a year earlier, and the price of good grade slaughter cows was \$8.70, compared with \$7.40 in the corresponding week of 1940.

Prices of feeder cattle have weakened somewhat since mid-April, in response to the declining level of fat cattle prices. The trend in feeder cattle prices has been sharply upward since last summer, however, and for the past several weeks prices of feeder cattle have been high relative to prices of fat cattle. The average price of feeder steers at Kansas City in early May was \$10.15. This compares with \$10.60 a month earlier and \$9.45 a year earlier.

Slaughter of cattle and calves
increased in April

Marketings of cattle and calves increased seasonally in April. Inspected cattle slaughter of 792,000 head during the month was 3 percent

larger than in March and 2 percent greater than a year earlier. So far in 1941 (January-April) cattle slaughter totaled 4 percent greater than a year earlier. Inspected calf slaughter totaling 507,000 head in April was 14 percent larger than in March and 6 percent larger than in April last year. Marketings of calves increase seasonally during the spring.

Imports of cattle decreased
moderately in March

Total imports of cattle and calves during March amounted to 68,500 head, 9,500 head less than in February, but 25,000 head more than in March last year. Practically all of the increase over a year earlier was accounted for by larger imports of feeder cattle and calves from Mexico. Imports of cattle for slaughter from Canada were nearly 3,000 head smaller than in March last year.

Imports of cattle weighing over 700 pounds (exclusive of dairy cattle), to which quarterly quotas apply, totaled 35,000 head during the first 3 months of 1941. This was about 25,000 head less than the maximum number permitted entry at the reduced rate of duty. Imports of such cattle from Mexico totaled close to 12,000 head during January-March. The maximum number allocated to Mexico in any one quarter is 8,280 head, and the regular duty of 3 cents per pound was paid on approximately 3,600 head. The quota on cattle from Mexico for the second quarter of this year (April-June) was reported filled by April 5.

Imports of cattle weighing over 700 pounds from Canada during January-March 1941 totaled a little over 23,000 head, about 4,000 head more than a year earlier, but 28,500 head less than the 51,720 head allocated to that country for the quarter. Prospects are that total imports of this class of cattle from Canada during 1941 will be smaller than the full year quota of 193,950 head. Total imports of cattle and calves from Mexico may be larger this year than last, however.

Cattle imports from Canada, Mexico, and all countries, by weight groups, and imports of beef and veal, January-March 1936-41

Per- iod	Cattle									Beef and veal	
	Canada			Mexico			All countries			total all	
										countries	
	Under 700 lb.	700 lb. and over 1/	All cattle	Under 700 lb.	700 lb. and over 1/	All cattle	Under 700 lb.	700 lb. and over 1/	All cattle	Canned beef 2/	veal, fresh, pickled and cured
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	1,000 pounds	1,000 pounds
Jan.-Mar.											
1936	7	32	40	50	11	61	56	43	102	22,838	1,591
1937	20	50	73	57	14	71	77	64	145	11,808	1,534
1938	13	14	31	49	10	60	63	25	90	12,238	706
1939	16	35	54	193	28	221	209	63	275	13,196	1,059
1940	10	19	33	104	15	120	115	35	152	19,609	1,013
1941	12	23	40	173	12	185	185	35	225	17,530	9,564

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and Chile.

Imports of canned beef, chiefly from Argentina and Brazil, totaled 17.5 million pounds in the first 3 months of 1941. This compares with 19.6 million pounds a year earlier. Imports of fresh and frozen beef of 9.1 million pounds during this period were much larger than last year, however, chiefly because of increased shipments from Cuba.

LAMBS

Lamb prices strengthened in early May

Prices of slaughter lambs declined during April, but they advanced in early May despite some increase in marketings. Prices of slaughter ewes also declined in April after advancing steadily since last summer. The average price of fed woolled lambs, good and choice grade, at Chicago for the week ended May 10 was \$11.35, compared with \$10.95 a month earlier and \$10.35 a year earlier. The spread between market prices of shorn and woolled lambs has been around 50 cents wider this spring than last, reflecting the higher level of wool prices than a year ago.

So far this season marketings of new-crop lambs have not been large. Deliveries have been made of early California lambs contracted for by mid-West and Eastern packers, but market receipts have been smaller than a year earlier. Prices declined in late April but advanced again in early May. The average price of good and choice grade new-crop lambs at Kansas City for the week ended May 10 was \$11.55, compared with \$11.45 a month earlier. For the current season thus far prices of early lambs have averaged around 50 cents higher than a year earlier.

Prices of good and choice grade early spring lambs at Kansas City, weekly through June, 1939-41

1939		:	1940		:	1941	
		:			:		
		:			:		
		:			:		
		:	Mar. 23	11.12	:		
		:	30	10.84	:		
Apr. 8	10.38	:	Apr. 6	10.30	:		
15	10.46	:	13	10.46	:	Apr. 12	11.45
22	10.43	:	20	10.70	:	19	11.03
29	10.38	:	27	10.28	:	26	10.44
May 6	10.56	:	May 4	10.90	:	May 3	11.29
13	10.58	:	11	10.60	:	10	11.57
20	9.48	:	18	10.82	:		
27	9.62	:	25	10.92	:		
June 3	9.78	:	June 1	11.11	:		
10	9.16	:	8	10.43	:		
17	9.30	:	15	10.48	:		
24	9.62	:	22	9.72	:		
July 1	9.63	:	29	10.20	:		
		:			:		

Slaughter of sheep and lambs increased
moderately in April

Marketings of sheep and lambs increased seasonally in April. Inspected slaughter for the month of 1,436,000 head was 2 percent greater than in March and 6 percent more than in April last year. Slaughter of sheep and lambs under Federal inspection during the 1940-41 marketing year (May-April) totaled 17,630,000 head, about 2-1/2 percent more than in the 1939-40 season. The 1940 lamb crop was about 3 percent larger than that of a year earlier.

HOGS - OUTLOOK

BACKGROUND.- Hog production and hog prices tend to fluctuate in cycles of around 4 or 5 years in length. The most recent peak in hog production was reached in 1939 when the pig crop was the largest in the 16 years of record. Since then production has decreased. The 1940 pig crops were smaller than those of 1939, and indications are that the 1941 spring crop was further reduced. In early 1940, hog prices declined to the lowest level reached since 1934. Prices have followed a moderate upward trend since the summer of 1940, reflecting improvement in consumer demand conditions and a reduction in market supplies of hogs.

Hog supplies expected to be smaller than
a year earlier during the next few months

The market movement of pigs from the 1940 fall crop is now under way, but hog supplies may not increase much during the next month or so. In the late summer the seasonal decrease in marketings may be fairly large. The 1940 fall pig crop was 13 percent smaller than that of a year earlier, and if the number of sows bred for farrow this fall is increased materially, as now seems likely, marketing of packing sows will be substantially smaller this summer than last. Present indications point to a reduction of from 10 to 12 percent in the number of hogs marketed during the remainder of the 1940-41 marketing year (May-September) from the corresponding months of 1939-40.

In the first 7 months of the 1940-41 marketing year (October-April) inspected hog slaughter totaled 31.9 million head, compared with 30.4 million head in the corresponding period of 1939-40. It now appears probable that the total number of hogs slaughtered under Federal inspection in the 1940-41 marketing year will be about 47 million head, or only slightly less than the 47.6 million head slaughtered in the 1939-40 marketing year.

Hog production in 1941

As has been indicated in earlier issues of The Livestock Situation, the 1941 spring pig crop is expected to be smaller than that of 1940. Breeding intentions reported by farmers last December showed a 14-percent reduction in the number of sows expected to farrow this spring compared with last. Hog prices advanced sharply in January and the rise was accompanied

by considerable improvement in the hog-corn price ratio. A strong demand for bred sows was reported in the Corn Belt during the past winter and early spring, and it is likely that the reduction in the number of sows farrowed this spring was somewhat less than was indicated earlier. The number of pigs saved per litter averaged 6 for the total United States spring pig crop last year. In 1938 a record number of 6.4 was saved. Weather conditions have not been severe this spring, and there may have been an increase in the number of pigs saved per litter over a year earlier.

Definite indications as to the size of the 1941 fall pig crop are not yet available. The number of sows indicated to farrow this fall will be given in the June Pig Crop Report to be released by Agricultural Marketing Service about June 27. However, it is probable that the 1941 fall pig crop will be larger than the 26.6 million head raised last fall. Hog prices have risen materially in recent months and are now around \$3.00 higher than a year earlier. The ratio of hog prices to corn prices also has improved materially since last summer, and it is now at a level favorable for increasing hog production. Last year during the breeding season for the fall pig crop (March-June) the hog-corn price ratio was considerably below the long-time average.

OUTLOOK - CATTLE

BACKGROUND.- From early 1934 to early 1938 cattle numbers in the United States were greatly reduced, largely as a result of the severe droughts of 1934 and 1936. Slaughter of cattle and calves was relatively large during this period. Since 1938 cattle numbers have again increased. As a result of the holding back of breeding stock for herd-building purposes, slaughter of cattle and calves was reduced moderately in 1938 and 1939, but it increased slightly in 1940. The number of cattle on farms at the beginning of 1941 was 8 percent larger than in 1938, and the largest since 1934.

The outlook for cattle has not changed materially in the past month or so. Following is a summary of the principal points which have been discussed in earlier issues of The Livestock Situation.

1. The number of cattle on feed in the Corn Belt on April 1 was 16 percent larger than a year earlier and larger than in any other year since before the 1934 drought. This increase in feeding operations will be reflected in larger marketings of grain-fed cattle than a year earlier throughout most of 1941. Indications point to somewhat larger supplies of fed cattle during the late spring and early summer, but most of the increase over a year earlier is expected in the late summer and early fall.
2. The total number of cattle and calves marketed for slaughter in 1941 probably will be around 5 percent larger than in 1940. Much of the increase over last year will be in grain-fed cattle, although marketings of cows and heifers also may be a little larger than in 1940. The

extent to which total slaughter will exceed that of 1940 will depend to a considerable extent upon how large a number of breeding stock producers hold back for herd-building purposes.

3. The increase in market supplies of cattle probably will be more than offset by improvement in consumer demand conditions in 1941 over a year earlier, and the general level of cattle prices is expected to average higher than in 1940. Prices of the better grades of slaughter cattle usually advance in the late summer and fall, but in view of the probable large increase in marketings of fed cattle, the rise in prices during the next few months may be less marked than it was in the last half of 1940. Prices of the lower grades of slaughter cattle and of stocker and feeder cattle may weaken seasonally or hold about steady this summer and fall. The spread between prices of feeder cattle and slaughter cattle probably will widen somewhat during the next several months.
4. The upward trend in cattle numbers has now reached the point at which annual marketings of cattle and calves for slaughter can increase at the same time that herds are being built up further. If farmers continue to build up herds during the next 3 or 4 years, marketings of cattle and calves for slaughter at the end of that period will be exceptionally large. And, if consumer demand conditions are less favorable than they are at present, low cattle prices can hardly be avoided.
5. Domestic demand for meats probably will continue at a relatively high level for the next year or two. It seems desirable for cattle producers to increase marketings during this period in order to take advantage of the favorable demand conditions and to avoid heavy marketings later when the demand for meats may be weak.

OUTLOOK - LAMBS

BACKGROUND.— The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since 1935. The lamb crop in the Western Sheep States has increased moderately since 1935, but the crop in the Native Sheep States has changed little since 1931. The 1940 lamb crop totaled 32.7 million head, the largest crop in the 17 years of record.

Early lamb conditions continue favorable

Feed and weather conditions continued favorable in all early lambing areas through April, according to information released recently by the

Agricultural Marketing Service. The season to date has been one of the best ever experienced by early lamb producers, and in early May range and pasture prospects indicated continued favorable feed conditions during the next 2 months.

Marketings and slaughter of early lambs in April were quite small despite the generally favorable development of the crop. This was largely a result of continued abundant supplies of green feed in California and Arizona. This feed was too soft to put a hard finish on the lambs but made it possible to hold them for further growth and weight. Marketings of grass fat yearlings from Texas, which are customarily shorn before shipment, were also relatively small in April as continued rain and damp weather delayed shearing. The expected heavy movement from these States in May and June and prospects for relatively large early marketings from other early lambing areas point to liberal supplies during the next 2 months.

Conditions in the different early lambing States are reported as follows: California: Pasture and range feed was very good during April but because of much rainy weather feed continued green and soft. Early lambs continued to make good gains but were slow to finish into desirable slaughter condition. Marketings in April were quite small, with slaughter in the State the smallest for the month since 1935. Eastern shipments were much below average and the second smallest since 1930. This slow movement was partly a result of growers' holding lambs for maximum gains until near the latest delivery dates stated in the sales contracts. Heavy marketings of lambs are expected in May with eastern shipments considerably larger than in May last year.

Arizona: Lamb shipments in April were considerably smaller than expected earlier. Continued rain in April prevented feed from maturing and lambs did not get fat although continuing to grow. Shipments in May will be relatively large.

Texas: Frequent and excessive rains during April brought on a heavy growth of range feed but was unfavorable for a good development of early lambs. The shearing of yearling lambs and wethers was delayed and many that would otherwise have been shipped in April were unshorn on May 1. All sheep are in good to excellent condition and heavy shipments of grass fat yearlings are expected during both May and June.

Southeastern States: With sufficient rainfall and warm weather during April pastures came on rapidly in this area and early lambs continue to make good growth. Reports from these States show smaller death losses of both ewes and lambs, larger numbers of lambs saved per 100 ewes, and a higher condition of lambs on May 1 than last year. Marketings of lambs from this area in May and June will probably be larger this year than last.

Missouri: In Missouri and other early lambing areas of the Western Corn Belt April was fairly warm with plenty of rain, and pastures improved rapidly. Early lambs continued to make good progress, and relatively heavy marketings before July 1 are in prospect.

Northwestern States: Weather and feed conditions in most of this area continued very favorable during April, making the 1941 early lambing

season among the best ever experienced in these 3 States as a whole. The early lambs have made exceptionally good growth. If range conditions remain good during the next 6 weeks rather heavy marketings of lambs before July 1 are probable.

Prices of sheep and lambs

Consumer demand for lamb and other meats is expected to show further improvement during the next few months, and will be stronger this summer than a year earlier. This will offset to some extent at least the expected large marketings of lambs and yearlings during the next month or so, and prices probably will not decline as sharply during June and July as they did last year. Lamb prices usually decline from June through September as marketings increase seasonally. The summer decline last year was much greater than average, however.

CASH FARM INCOME FROM MEAT ANIMALS

Farmers received 2,390 million dollars from the sale of meat animals (cattle, calves, hogs, sheep and lambs and small quantities of home-prepared meats and lard) in 1940. This was about 120 million dollars, or 5 percent, more than in 1939 and the largest amount received in any year since 1930.

Cash income from all species of meat animals was larger in 1940 than in 1939, but most of the increase over a year earlier was in the income from cattle and calves. Total marketings of cattle and calves were a little larger than in 1939. But the effect upon prices of these larger supplies was more than offset by improved domestic demand conditions, and prices received by farmers averaged about 45 cents higher than a year earlier. Both marketings and prices of sheep and lambs also showed an increase over 1939. But in the case of hogs a 17-percent increase in market supplies was reflected in a materially lower level of prices, and cash income from hogs was only a little larger in 1940 than it was the preceding year. On a live-weight basis, marketings of all meat animals totaled approximately 8 percent more in 1940 than in 1939, but the index of prices received by farmers declined about 2 percent, from 110 in 1939 to 108 in 1940.

In most years since 1909 cash farm income from cattle and calves has been larger than cash income from hogs. This has been particularly true in recent years, partly because of the relative weakness in the export demand for hog products. In 1940 cash income from cattle and calves accounted for nearly 58 percent of the total from meat animals whereas only a little over 34 percent was derived from the sale of hogs.

For a more complete discussion and analysis of income from meat animals see the June 1940 issue of The Livestock Situation. The data in the accompanying table can be used to bring this discussion to date.

Cash farm income from meat animals by species
and States, 1939 and 1940

State	Cattle and calves		Hogs		Sheep and lambs	
	1939 1/	1940 2/	1939 1/	1940 2/	1939 1/	1940 2/
	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.
Me.	2,106	2,202	1,089	845	95	104
N.H.	1,304	1,303	288	240	23	14
Vt.	3,856	3,938	622	450	66	46
Mass.	2,406	2,643	2,136	1,712	16	16
R.I.	517	538	157	134	11	11
Conn.	2,020	2,113	354	243	5	16
N.Y.	23,003	23,777	4,072	3,075	1,225	1,161
N.J.	3,614	3,511	1,625	1,281	20	21
Pa.	26,056	29,054	9,295	8,275	1,089	1,096
Ohio	41,457	41,115	52,984	51,703	7,252	7,584
Ind.	41,855	43,917	68,239	72,697	4,697	4,855
Ill.	93,409	116,004	87,083	100,856	5,995	5,901
Mich.	26,960	26,503	15,056	14,994	5,216	6,186
Wis.	38,567	43,404	33,044	32,542	2,013	2,221
Minn.	60,540	65,121	60,692	67,363	6,980	7,511
Iowa	161,402	184,814	168,010	180,746	11,668	12,637
Mo.	63,956	72,814	52,813	54,752	7,218	8,089
N.Dak.	13,546	17,109	7,103	7,480	2,435	3,058
S.Dak.	28,001	31,158	20,138	19,939	4,475	4,876
Nebr.	81,244	84,515	39,109	37,056	8,431	8,654
Kans.	87,283	83,002	21,927	21,737	5,069	4,875
Del.	636	615	318	299	10	10
Md.	4,135	4,570	2,954	2,412	360	362
Va.	10,125	11,691	7,036	4,911	1,921	1,848
W.Va.	8,585	8,361	2,203	1,407	2,177	1,809
N.C.	5,610	5,150	9,796	7,670	178	106
S.C.	3,089	2,853	5,149	4,183	14	18
Ga.	5,154	6,484	11,378	7,951	25	32
Fla.	3,415	3,221	4,244	2,933	20	18
Ky.	20,292	22,200	12,991	12,350	6,022	6,578
Tenn.	14,447	16,806	13,003	9,858	1,679	1,734
Ala.	6,648	7,108	8,157	6,464	54	57
Miss.	9,810	9,369	6,661	5,422	56	64
Ark.	10,458	9,820	11,200	8,204	157	163
La.	8,083	9,087	7,770	6,814	210	200
Okla.	42,163	42,823	11,832	11,399	1,595	1,404
Tex.	108,319	100,120	17,350	16,710	10,634	12,896
Mont.	13,273	19,794	1,855	2,140	6,785	9,848
Idaho	9,323	9,993	5,454	5,288	9,415	9,535
Wyo.	16,765	18,361	581	567	10,129	10,832
Colo.	40,080	40,536	4,270	4,648	16,015	15,958
N.Mex.	22,130	26,047	1,046	1,005	3,532	4,623
Ariz.	17,052	18,494	440	448	1,397	1,535
Utah	6,727	7,690	1,553	1,556	5,983	5,979
Nev.	5,075	6,114	260	234	2,023	1,788
Wash.	10,261	11,313	4,331	3,930	2,748	2,507
Oreg.	14,600	16,535	4,045	3,880	6,718	6,585
Calif.	57,711	60,455	10,290	9,999	15,318	13,971
U.S.	1,279,074	1,380,170	812,003	820,802	175,774	189,402

1/ Revised

2/ Preliminary

THE WOOL SITUATION 1/

Farmers now marketing their 1941 wool clips are receiving higher prices, generally, than at any time since the early months of 1929. The average price received by farmers on April 15 was 34.7 cents a pound. This was 8.6 cents higher than a year earlier and 1.5 cents higher than on April 15, 1937, the previous high for recent years. The large use of wools in Army fabrics and increased demand for wool for civilian purposes are important factors in the increase in prices of domestic wools. The prospect of a record mill consumption in 1941 will be a strong supporting factor to domestic wool prices in the current marketing season.

Stocks of apparel wool reported by dealers and manufacturers and stocks of old clip wool on farms and ranches in Western States totaled 283 million pounds, grease basis, on March 29 compared with 184 million pounds a year earlier. The 1941 stocks included 85 million pounds of wool afloat to United States dealers and manufacturers. If wool afloat is excluded the stocks held in this country on March 29 totaled 198 million pounds. The carry-over (stocks) this year was somewhat larger than in most recent years but it was not large in relation to the current rate of mill consumption.

Imports of apparel wool for consumption totaled 156.6 million pounds in the first 3 months of 1941 compared with 65.8 million pounds in the same months last year. Imports in the first quarter of this year were larger than in any corresponding period of the last 20 years. South American supplies of fine wools suitable for United States purchase are clearing rapidly. With the new domestic clip now becoming available, United States imports are likely to decline in the late spring and summer. However, a considerable quantity of wool purchased by United States buyers in Australia and South America was awaiting shipment on April 1 and such wool will continue to arrive as shipping space is obtained.

With a record mill consumption of wool in prospect in 1941 imports probably will be large in the fall and winter of 1941-42. The uncertainty of shipping facilities will tend to promote early purchasing of wools in South American markets in the 1941-42 season which begins in October and November.

1/ From the May, 1941 issue of The Demand and Price Situation. For detailed information copies of The Wool Situation may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D.C.

Supplies of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-Mar.	
		Mar.	Feb.	Mar.	Average:	1928-29:	1938-	1939-	1939-
		1940			1928-29:	to	39	40	40
					1932-33:				41
Hog slaughter under									
Federal inspection:	Thou-								
No. slaughtered <u>1/</u>	sands	3,981	3,725	3,904	46,363	39,720	47,651	26,832	28,111
Live weight:									
Average	Lb.	232	238	238	231	234	234	231	231
Total	Mil.lb.	922	886	930	10,723	9,311	11,142	6,197	6,474
Total dressed wt.	" "	690	667	704	8,069	6,975	8,303	4,632	4,828
Yield of lard per									
100 lb. live wt.									
of hogs	Lb.	14.2	13.3	14.0	15.2	2/12.8	2/13.2	13.7	12.9
Production of lard:	Mil.lb.	130	118	130	1,630	1,187	2/1,485	850	829
Exports: <u>3/</u>									
Pork	" "	5	3	2	211	125	115	92	17
Lard	" "	21	15	24	657	270	232	137	86
Imports of pork <u>3/</u>	" "	1	2	2	6	50	7	4	6
Proportion of sows									
in inspected									
slaughter <u>4/</u>	Pct.	48.0	46.4	47.4	51.2	49.3	50.0	46.5	47.9

Compiled from reports of Agricultural Marketing Service, except as specified.
1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard
rendered in federally inspected plants as reported by the Bureau of Animal Industry.
3/ United States Department of Commerce. Pork includes bacon, hams, and shoulders,
and fresh, canned and pickled pork. Lard includes neutral lard. 4/ Includes gilts.

Prices of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-Apr.	
		Apr.	Mar.	Apr.	Average:	1928-29:	1938-	1939-	1940-
		1940			1928-29:	to	39	40	40
					1932-33:				41
Av. price, all purchases:	Dol. per:								
Seven markets	100 lb.	5.30	7.50	8.32	<u>1/</u>	6.85	5.54	5.43	6.98
Chicago	" "	5.43	7.64	8.37	6.99	7.00	5.69	5.59	7.15
Av. price of barrows and									
gilts, Chicago	" "	5.48	7.69	8.44	<u>1/</u>	7.23	5.86	5.68	7.23
United States average price:									
received by farmers	" "	4.90	7.08	8.01	6.48	6.70	5.44	5.33	6.65
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago	bu.	62	66	69	62	49	60	56	64
Hog-corn price ratio:									
Chicago <u>2/</u>	Bu.	8.7	11.6	12.1	11.6	14.4	9.6	10.2	11.1
N. Central States	"	9.2	13.5	14.0	12.9	16.6	10.6	11.3	12.5
Proportion of packing sows									
in total packer & shipper									
purchases, 7 markets <u>3/</u>	Pct.	5.0	4.0	4.0	<u>1/</u>	13.0	12.0	7.0	6.0
Av. weight at 7 markets	Lb.	243	248	246	<u>1/</u>	247	244	239	238

Compiled from reports of Agricultural Marketing Service.

1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of
live hogs. 3/ Monthly figures computed from weekly averages.

Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month			
		Average:	1940	1940		1941	
		1924-33:		Mar.	Apr.	Feb.	Mar. : Apr.
Slaughter under Federal inspection:							
Number slaughtered:	Thou-						
Cattle 1/	sands	8,850	9,756	721	774	717	766 792
Calves 1/	"	4,819	5,359	440	480	384	444 507
Cows and heifers 2/	"	4,181	4,481	308	304	342	349
Steers 2/	"	4,340	4,866	389	440	350	389
Average live weight:							
Cattle	Pounds:	953	940	953	953	952	966
Calves	"	176	191	171	163	186	177
Total dressed weight:							
Cattle	Mil.lb.:	4,532	4,971	377	409	371	405
Calves	" "	487	568	42	45	40	44
Inspected shipments: 1/	Thou-						
Feeder cattle and calves ...	sands	2,894	3,162	152	156	148	174
Imports:							
Cattle 3/	"	253	644	43	93	78	68
Canned Beef 4/	Mil.lb.:5/	36	61	5	5	6	6

Compiled from reports of Agricultural Marketing Service, except as specified.
 1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, April 1941, with comparisons

Item	Apr. :	Apr. :	Apr. :	1941		
	average:	1939	1940	Feb.	Mar.	Apr.
	1924-33:					
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	11.12	12.10	11.47	13.56	12.80	12.57
Good	10.20	10.33	10.01	11.64	11.12	11.07
Medium	9.18	9.09	8.72	9.90	9.69	9.68
Common	8.06	8.20	7.73	8.45	8.72	8.50
All grades	9.67	10.02	9.46	11.27	10.81	10.67
Cows, Chicago:						
Good	1/7.04	7.60	7.34	8.12	8.34	8.41
Cutter and Common, and Canner	2/4.44	5.22	5.12	5.49	5.60	5.88
Vealers, Chicago:						
Good and Choice	9.61	8.80	9.96	12.56	12.89	11.24
Stocker and feeder steers,						
Kansas City:						
Average price all weights	3/8.49	9.21	9.06	10.00	10.29	10.55
Average price paid by packers:						
All cattle	8.05	8.05	7.96	8.78	8.81	
Steers	4/	8.49	8.96	10.41	10.18	
Calves	8.88	8.53	8.87	10.38	9.80	

Compiled from reports of Agricultural Marketing Service.
 1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-July 1939. 3/ Average 1925-33. 4/ Not available.

Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av.	1940	1924-33:		1940		1941	
		1924-	1940	Mar.	Apr.	Mar.	Apr.	Feb.	Mar.
		33							Apr.
Slaughter under									
Federal inspection									
Sheep and lambs:									
Number slaughter-	Thou-								
ed 1/	sands:	14,737	17,351	1,159	1,165	1,266	1,355	1,391	1,408
Average live									
weight	Lb.	81	86	88	84	92	89	94	96
Average dressed									
weight	"	39	41	41	40	43	42	44	44
Total dressed	Mil.								
weight	lb.	569	702	47	46	55	57	61	62
Lambs and yearlings:	Thou-								
Number slaughtered	sands:	13,678	16,253	1,091	1,081	1,198	1,295	1,316	1,362
Percentage of total									
sheep and lambs ...	Pct.	92.8	93.7	94.1	92.8	94.6	95.6	94.6	96.7
Compiled from reports of Agricultural Marketing Service, except as specified.									
1/ Bureau of Animal Industry.									

Prices per 100 pounds of sheep and lambs, by months,
February-April, 1939-41

Item		1939			1940			1941		
		Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago -										
Good and choice 1/		8.88	9.12	9.98	9.44	10.10	10.39	10.69	11.03	10.89
Slaughter ewes:										
Chicago -										
Common and medium		3.40	3.69	4.30	3.51	4.05	3.78	4.78	5.00	5.12
Feeding lambs, Omaha:										
Good and choice ...		8.24	8.21	---	8.38	---	---	9.70	9.75	---
Average price paid										
by packers:										
Sheep and lambs ...		8.54	8.73	9.19	8.81	9.44	9.47	10.02	10.40	
Average price re-										
ceived by farmers:										
Sheep		4.02	3.99	4.19	3.93	4.25	4.15	4.58	4.78	5.11
Lambs		7.37	7.43	7.88	7.61	8.05	8.14	8.60	8.92	9.09
Compiled from reports of Agricultural Marketing Service.										
1/ Lots averaging within top half of good grade.										

Index numbers of income of industrial workers, and cash
income from meat animals, specified periods

Item	Calendar year			1941	
	1938	1939	1940	1940	1941
Income of industrial workers					
(1924-29 = 100)	73	1/ 84	1/ 95	1/ 88	1/ 111
Cash farm income from meat animals:					
(1924-29 = 100)	78	81	1/ 85	1/ 75	1/ 105
1/ Revised. 2/ Preliminary.					